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↻ Designates that this item is a change item

BMS

BUREAU OF MEDIATION SERVICES

State of Minnesota

January 16, 2009

To the 2009 Legislature:

On behalf of Governor Pawlenty, I am pleased to submit the Bureau of Mediation Services' budget recommendations for the FY 2010-11 biennial budget. This budget consists of \$3.366 million from the state's general fund. The recommended funding level represents a 10% decrease from FY 2008-09 spending.

With this budget recommendation, we will be able to maintain our commitment to delivering quality services to state agencies and to the public. The proposed budget will support our statutory and core functions, which include:

- ◆ Assisting parties in resolving collective bargaining disputes;
- ◆ Resolving questions of labor union representation and bargaining unit structure;
- ◆ Supporting, training and facilitating joint labor management committees;
- ◆ Providing technical training and
- ◆ Developing and maintaining a roster of labor arbitrators.

Funding at the requested level will assist us in accomplishing our mission of promoting stable and constructive labor-management relations throughout the state.

I would appreciate your support and consideration of this budget request. Please feel free to contact me if you have any questions, or if there is any other information that I can provide.

Sincerely,



Steven G. Hoffmeyer
Commissioner

Agency Purpose

The mission of the Minnesota Bureau of Mediation Services (BMS) is to promote stable and constructive labor-management relations and the use of collaborative processes. (M.S. Chapters 179 and 179A).

Core Functions

- ◆ Assisting parties in resolving collective bargaining disputes.
- ◆ Resolving questions of labor union representation and bargaining unit structure.
- ◆ Supporting, training, and facilitating joint labor management committees.
- ◆ Providing technical training.
- ◆ Developing and maintaining a roster of labor arbitrators.

At A Glance

Summary data for the Bureau of Mediation Services 2007-2008:

Petitions Received:	2,512
Meetings Held:	2,147
Strike Notices Received:	7
Strikes:	1

- ◆ Approximately \$1.8 million annual budget.
- ◆ Include \$150,000 each year for labor management cooperation grants.
- ◆ 14 FTE

Operations

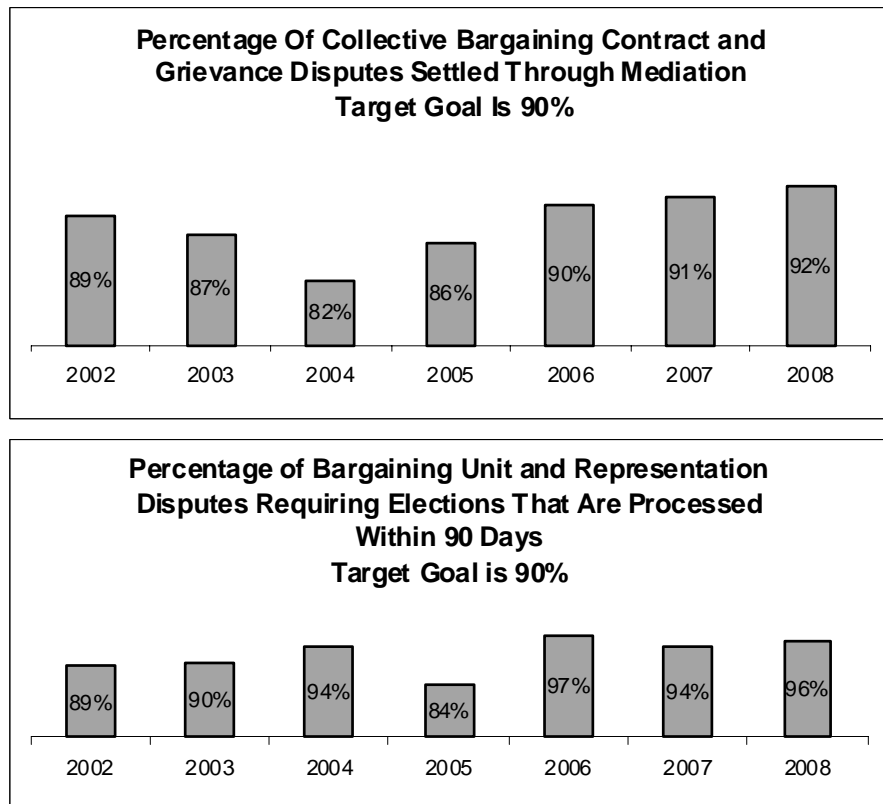
The primary clientele of BMS includes labor organizations and employers (public, nonprofit, and private). Agency services are delivered through:

- ◆ mediating collective bargaining disputes;
- ◆ determining bargaining units;
- ◆ conducting and certifying union representation elections;
- ◆ facilitating labor-management committees and awarding grants to area/industry labor-management councils;
- ◆ training practitioners in labor relations; and
- ◆ offering representation and arbitration decisions to the public.

Key Goals

- ◆ Resolve contract and grievance disputes peacefully, expeditiously and in a manner that contributes to effective labor-management relations.
- ◆ Resolve bargaining unit and other representation disputes consistent with Minnesota laws in a manner that supports effective collective bargaining relationships.

Key Measures



For updated information and a more complete list of the key measurers by which BMS monitors its results, see <http://www.departmentresults.state.mn.us/bms>.

Budget

The department's primary source of funding for the current biennium is a roughly \$1.8 million annual direct appropriation from the general fund. This includes \$150,000 each year for labor management cooperation grants. Current staff includes 14 full-time equivalent employees.

Contact

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<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	1,864	1,835	1,835	1,835	3,670
Recommended	1,864	1,835	1,683	1,683	3,366
Change		0	(152)	(152)	(304)
% Biennial Change from 2008-09					-9%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,811	1,887	1,683	1,683	3,366
Miscellaneous Special Revenue	19	39	20	20	40
Statutory Appropriations					
Miscellaneous Special Revenue	0	2	2	2	4
Total	1,830	1,928	1,705	1,705	3,410
<u>Expenditures by Category</u>					
Total Compensation	1,358	1,380	1,274	1,313	2,587
Other Operating Expenses	327	393	331	292	623
Local Assistance	145	155	100	100	200
Total	1,830	1,928	1,705	1,705	3,410
<u>Expenditures by Program</u>					
Mediation Services	1,830	1,928	1,705	1,705	3,410
Total	1,830	1,928	1,705	1,705	3,410
Full-Time Equivalents (FTE)	15.1	15.0	13.0	13.0	

MEDIATION SERVICES BUREAU

Change Summary

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
Fund: GENERAL				
FY 2009 Appropriations	1,835	1,835	1,835	3,670
Subtotal - Forecast Base	1,835	1,835	1,835	3,670
Change Items				
Operating Budget Reduction	0	(152)	(152)	(304)
Total Governor's Recommendations	1,835	1,683	1,683	3,366
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	2	2	2	4
Total Governor's Recommendations	2	2	2	4

MEDIATION SERVICES BUREAU

Change Item: Operating Budget Reduction

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$(152)	\$(152)	\$(152)	\$(152)
Revenues	0	0	0	0
Net Fiscal Impact	\$(152)	\$(152)	\$(152)	\$(152)

Recommendation

The Governor recommends a \$304,000 base reduction in the Bureau of Mediation Services' FY 2010 and FY 2011 general fund operating budget. This reduction would be accomplished by eliminating a vacant mediator position, cutting \$50,000 from the Labor Management Cooperation Grant Program and a reduction in operating expenses in the form of rent, in the amount of \$14,000. The Governor believes this reduction is necessary to deal with the current budget deficit.

Background

Eliminating a mediator position could affect the timeliness and scope of the Bureau's services. The precise extent to which such services will be affected depends upon factors and developments in the economy affecting labor relations.

This decrease to the BMS' Labor Management Cooperation grant program will affect the Area Labor Management Councils for the immediate future. All of the councils have tried to increase their funding from sources other than the Grant program with mixed results. This amount recommended by the Governor will allow the councils to continue operations while exploring other alternatives for fundraising opportunities.

Relationship to Base Budget

This recommendation results in a general fund budget reduction of 8.3% for the FY2010-2011 biennium.

Key Goals and Measures

- ◆ The Bureau's mediation staff is currently at eight from a high of ten in 2003. The elimination of a mediator's position could have a negative impact on the Bureau's ability to provide mediation and related services in a timely manner. The negative impact could become acute during the teacher negotiation period that will begin in the fall of 2009.
- ◆ With respect to the grant program, the most obvious key measure will be the continued operation of the existing area councils and the development of new area councils. The area councils support the BMS' mission of promoting collaborative strategies that have a positive impact of collective bargaining.

Alternatives Considered

- ◆ All other alternatives considered are a combination of staff reductions in mediation, representation and labor management cooperation.
- ◆ There are no other viable alternatives regarding the funding of the LMC grant program. The BMS has and will continue to challenge grantees to develop other ways of securing operating funds other than the LMC Grant program.

Statutory Change: Not Applicable

MEDIATION SERVICES BUREAU

Agency Revenue Summary

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010 FY2011		Biennium 2010-11
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
General	6	7	7	7	14
Total Non-Dedicated Receipts	6	7	7	7	14
<u>Dedicated Receipts:</u>					
Grants:					
Miscellaneous Special Revenue	20	20	20	20	40
Other Revenues:					
Miscellaneous Special Revenue	0	2	2	2	4
Total Dedicated Receipts	20	22	22	22	44
Agency Total Revenue	26	29	29	29	58